

## HOUSE BILL No. 2042

By Committee on Federal and State Affairs

1-22

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AN ACT concerning cigarettes; prohibiting certain acts and providing penalties for violations.

*Be it enacted by the Legislature of the State of Kansas:*

Section 1. (a) A retail dealer may enter into and participate in a manufacturer's merchandising, advertising, display or consumer discount or promotional agreement or program in which the dealer:

(1) Provides cigarette merchandising, shelf-space, advertising, stocking or display to the manufacturer;

(2) conducts the manufacturer's consumer promotion and discount programs and provides such promotions and discounts to consumers; and

(3) is paid or compensated by the manufacturer for performing such activities.

(b) A manufacturer may:

(1) Offer and enter into such retail dealer agreements and programs;

(2) pay or provide other compensation to retail dealers for participating in such agreements and programs; and (3) provide consumer promotions and discounts to retail dealers for such dealers to furnish to consumers.

(c) It shall be unlawful for a manufacturer, directly or indirectly, to:

(1) Condition a retail dealer's receipt of consumer promotions or consumer price discounts on such dealer's conduct or actions relating to the manufacturer's products or the products of any other manufacturer, except for requirements that the retailer (A) provide the promotion or discount to consumers and (B) advertise and display the promotion and the promoted or discounted product to consumers;

(2) require or cause a retailer dealer to allocate a specified percentage or fraction of such dealer's merchandising, stocking, display, shelf or advertising space to the manufacturer;

(3) prevent, restrict or limit a retail dealer from stocking, advertising, displaying or participating in a program for another manufacturer's product;

(4) prevent, restrict or limit a retail dealer from determining the size or location of the space that such dealer uses to stock, display, promote or advertise cigarettes; or

1 (5) require a retail dealer to raise such dealer's prices on, or prevent  
2 a retail dealer from setting, retaining or reducing such dealer's prices on,  
3 another manufacturer's products.

4 (d) This section shall be part of and supplemental to the Kansas cig-  
5 arette and tobacco products act.

6 Sec. 2. This act shall take effect and be in force from and after its  
7 publication in the statute book.

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